

FEDERAL COMMUNICATIONS COMMISSION 445 12th STREET S.W. WASHINGTON D.C. 20554

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Report No. SCL-00022S

Friday December 22, 2006

## STREAMLINED SUBMARINE CABLE LANDING LICENSE APPLICATIONS ACCEPTED FOR FILING

Unless otherwise specified, the following procedures apply to the applications listed below:

The applications listed below have been found, upon initial review, to be acceptable for filing and subject to the streamlined processing procedures set forth in section 1.767 of the Commission's rules, 47 C.F.R. § 1.767. Pursuant to the Submarine Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, each applicant seeks: (a) the grant of a cable landing licensee; (b) the modification of a cable landing license; and/or (c) the assignment or transfer of control of an interest in a submarine cable landing license.

Pursuant to its decision in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001) and section 1.767 of the rules, the Commission will take action upon these applications within forty-five (45) days after release of this public notice, unless the Commission has informed the applicant in writing that the application, upon further examination, has been deemed ineligible for streamlined processing.

Ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 C.F.R. § 1.1206. Filings relating to this application must be received within 14 days of this notice. Such filings will not necessarily result in an application being deemed ineligible for streamlined processing.

Copies of all applications listed here are available for public inspection in the FCC Reference and Information Center, located in room CY-A257 at the Portals 2 building, 445 12th Street, SW, Washington DC 20554. The center can be contacted at (202) 418-0270. People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty). All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

SCL-T/C-20061204-00013 P

Reach Global Networks Limited

Transfer of Control

Current Licensee: Reach Global Networks Limited

**FROM:** Commonwealth of Australia **TO:** Telstra Corporation Limited

Application for consent to transfer control of Reach Global Networks Limited (RGNL) from the Commonwealth of Australia (the Commonwealth) to the shareholders of Telstra Corporation Limited (Telstra). RGNL holds a 13.849206% ownership and voting interest in the Japan-U.S. Cable Network, SCL-LIC-19981117-00025. The Japan-U.S. Cable Network is operated on a non-common carrier basis.

RGNL is a wholly-owned subsidiary of Reach Ltd., both of which are organized under the laws of Bermuda, a WTO Member country. Reach is owned in equal parts by PCCW Limited (PCCW) and Telstra Holdings (Bermuda) (Telstra Bermuda), with each having negative control over Reach. Telstra Bermuda is a wholly-owned, indirect subsidiary of Telstra, a publicly traded corporation organized under the laws of Australia, a WTO Member country.

In the first part of a two part transaction, on November 24, 2006, the Commonwealth of Australia (Commonwealth) sold approximately 30% of Telstra's issued shares, thereby decreasing its holdings in Telstra from 51.8% to approximately 22% (or 17% if all overallotment options are exercised). Although the Commonwealth lost de jure control of Telstra, it continues to maintain de facto control over Telstra pursuant to certain provisions of the Telstra Corporation Act of 1991, as amended, and thus retains negative control over Reach. (See ITC-T/C-20061218-00571, granted DA 06-2567, rel. Dec. 21, 2006)

In the second part of the transaction, the Commonwealth intends to transfer all of its remaining shares of Telstra (approximately 17 to 22%) to the Future Fund Board of Guardians (the Future Fund Board) by no later than February 24, 2007. The Future Fund is a Commonwealth investment fund and separate legal entity from the Commonwealth. Upon closing of the transfer transaction the Future Fund Board will hold 17 to 22% of Telstra shares (held in escrow for a mandatory two years, thereafter sold and proceeds reinvested) and the other 83% will be widely held with no other shareholder expected to hold 10 percent or more of the shares in Telstra. According to the Applicants, the Future Fund Board will not have any of the statutory rights of the Commonwealth related to Telstra conveyed to it and will only have the rights and obligations of other Telstra shareholders, and thus will not have control of Telstra Bermuda. After the transfer of the shares from the Commonwealth to the Future Fund, PCCW and Telstra Bermuda will continue to each have 50% ownership of Reach with negative control.

Applicants further request that the Commission condition grant of this application on compliance with the provisions of a November 29, 2001 Agreement by and between Reach Ltd., Telstra Corporation Limited, and the Pacific Century CyberWorks Limited, on the one hand, and the Federal Bureau of Investigation and the U.S. Department of Justice on the other hand (November 29, 2001 Agreement). A copy of the November 29, 2001 Agreement is publicly available in the record of this proceeding and maybe viewed on the FCC web-site through the International Bureau Filing System (IBFS) by searching for ITC-T/C-20061204-00541and accessing the "Attachment Menu" from the Document Viewing area.

## INFORMATIVE

SCL-T/C-20061128-00011

Impsat USA, Inc.

This application has been removed from Streamlined processing pursuant to Section 63.12(c)(3) of the Commission's rules.

## REMINDERS:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See C.F.R. §§ 1.2001-1.2003.

The Commission's rules applicable to submarine cable landing licenses (47 C.F.R. §§ 1.767, 1.768) are available at http://www.fcc.gov/ib/td/pf/telecomrules.html. See also http://hraunfoss.fcc.gov/edoc\_public/attachmatch/DA-02-5981A1.pdf for a March 13, 2002 Public Notice; http://hraunfoss.fcc.gov/edocs\_public/attachmatch/FCC-01-332A1.pdf for the December 14, 2001 Report and Order.

By this notice, we inform the public that submarine cable landing license applications and international section 214 applications that are part of larger transactions involving multiple Commission licenses or authorizations may involve "extraordinary circumstances" as referenced in Review of Commission Consideration of Applications under the Cable Landing License Act, Report and Order, 16 FCC Rcd 22167 (2001) and Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), paras. 327-28, Order on Reconsideration, 15 FCC Rcd 18158 (2000). Additionally, these extraordinary circumstances may result where Executive Branch agencies petition the Commission to defer decision on certain transactions pending the resolution of potential national security, law enforcement, foreign policy and trade policy issues. Accordingly, these applications may not be acted on within the 90-day review period that the Commission has established as the period of time normally required to reach a decision on non-streamlined cable landing licenses and international section 214 applications. This notice shall serve as public notice to applicants that, in these circumstances, additional time may be required for Commission review and final action. No additional formal public notice will be provided routinely with respect to specific applications in the event that the applicable review period extends beyond 90 days.